

Senate Bill No. 1458

Passed the Senate August 17, 2004

Secretary of the Senate

Passed the Assembly August 12, 2004

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day of
_____, 2004, at _____ o'clock __M.

Private Secretary of the Governor

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CHAPTER _____

An act to amend Sections 90004 and 91011 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 1458, Johnson. Political Reform Act of 1974.

Under the Political Reform Act of 1974, the Franchise Tax Board is required to audit a specified percentage of certain lobbying firms, lobbyist employers, candidates, and committees regarding the campaign statements and reports filed by those persons and entities with the Secretary of State. The Fair Political Practices Commission selects by lot the persons and entities to be audited on a random basis.

This bill would require that the board complete its report of any audit conducted on a random basis within one year after the person or entity subject to the audit is selected by the commission to be audited.

Under the act, a civil action alleging a violation by a candidate for the Legislature or a superior court judge in a direct primary or general election of the reporting requirements for campaign statements and reports filed with the Secretary of State shall not be filed more than 4 years after the board could begin an audit of the candidate.

This bill would prohibit the filing of a civil action of this kind more than 4 years after the board could begin an audit of the candidate, or more than one year after the board forwards its report to the commission of a completed audit of any person or entity alleged to have violated the requirements for campaign statements and reports, whichever period is less.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill, which would declare that it furthers the purposes of the act, would therefore require a $\frac{2}{3}$ vote.



The people of the State of California do enact as follows:

SECTION 1. Section 90004 of the Government Code is amended to read:

90004. (a) The Franchise Tax Board shall periodically prepare reports which, except as otherwise provided in this section, shall be sent to the commission, the Secretary of State, and the Attorney General. If the reports relate to candidates for or committees supporting or opposing candidates for the office of Attorney General, the reports shall be sent to the commission, the Secretary of State, and the District Attorneys of Los Angeles, Sacramento, and San Francisco Counties. If the reports relate to local candidates and their controlled committees, the reports shall be sent to the commission, the local filing officer with whom the candidate or committee is required to file the originals of campaign reports pursuant to Section 84215, and the district attorney for the candidate's county of domicile.

(b) The Franchise Tax Board shall complete its report of any audit conducted on a random basis pursuant to Section 90001 within one year after the person or entity subject to the audit is selected by the commission to be audited.

(c) The reports of the Franchise Tax Board shall be public documents and shall contain in detail the Franchise Tax Board's findings with respect to the accuracy and completeness of each report and statement reviewed and its findings with respect to any report or statement that should have been but was not filed. The Secretary of State and the local filing officer shall place the audit reports in the appropriate campaign statement or lobbying files.

SEC. 2. Section 91011 of the Government Code is amended to read:

91011. (a) No civil action alleging a violation in connection with a report or statement required by Chapter 4 (commencing with Section 84100) shall be filed more than four years after an audit could begin as set forth in subdivision (c) of Section 90002, or more than one year after the Franchise Tax Board forwards its report to the commission, pursuant to Section 90004, of any audit conducted of the alleged violator, whichever period is less.

(b) No civil action alleging a violation of any provisions of this title, other than those described in subdivision (a), shall be filed more than four years after the date the violation occurred.



SEC. 3. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.



Approved _____, 2004

Governor

